

EXHIBIT 1

Fwd: **Withdrawal from project**

From: Ataribox
Subject: **Withdrawal from project**
Date: December 13, 2017 at 7:20:15 AM EST
To: Fred Chesnais

Fred,

I want to withdraw from the project. I understand this presents a significant short-term PR issue, and the timing is highly inconvenient, however I think it is better to do this today, before there are actual customer commitments, or more information is publicly available. This is not an easy decision on my part. I have worked on this full-time now for almost 9 months, effectively for free, with massive opportunity cost, with major shifts in my personal deal structure, and with other personal impacts far greater than I think you realize (from a personal financial standpoint, from a family standpoint, and from a health standpoint).

I've built an entire strategy from zero, and pulled together a global team of experts to drive what is a highly complex project; for effectively no investment, and I am still unsure that the value, effort, or risks are truly understood. Based on a series of external factors, customer feedback, gaps in readiness on content and controllers, workload overall, and the aggregate risk of all these factors; my recommendation last month was that we should delay to Spring 2018. The reaction to the recommendation, and the manner in which discussions have gone since, has been really concerning and discouraging.

Based on the extreme pressure brought to bear on going live in December, I finally agreed to try to go live this week (having restated the risk), however 1 day before launch we are still not ready. I had hoped we could find a workable solution with DreamGear, and a video story on content. Now the DG deal has collapsed, and despite a lot of effort today, we have no other options to show. Customers continue to be extremely demanding on content (and as you know we have limited titles to show, and are still working on how we might present it).

My assumption is that despite these issues there will still be a desire to push ahead with launch no matter what, and I feel I have failed to effectively impress the risks associated with this. I believe going live now will lead to considerable negative press, and customer feedback, far greater than any short-term PR issue on announcing a delay. As the main human face of the project, I do not want the reputation risk of being part of a launch in those circumstances.

I understand you believe we will never be able to satisfy peoples desire for content and information, and that we can address what we are missing by showing limited

information on controller and content, explaining we are working on things. The problem with telling people 'we are working on it' is that it requires customer trust. Unfortunately, based on the feedback I am seeing, I don't think we are trusted enough to get away with this approach. We need to build trust, and that makes our opening public position on Ataribox all the more important to get right. I remain as convinced as ever that Ataribox can be a massive value driver for Atari; however only if it is launched and executed well.

Lastly, I have done my best to adapt to your management style, however I think we remain misaligned on what it takes to effectively run a hardware business, and to make Ataribox a long-term success. We continue to misunderstand and clash with each other, even on minor issues, and it is only a matter of time before that leads to more serious issues. The difference in management styles, and interpersonal concerns (on top of an already extremely challenging project) unnecessarily add to the stress and risk. There is plenty more I could add in terms of concerns on how we are working, however in short I think it's better to withdraw now before the business complexity increases.

Based on where we are today I stand by my recommendation from several weeks ago, namely:

- Push the launch to Spring (exact date to be determined)
- Craft a positive message on why we are delaying
- Reevaluate the budget to secure the team until launch (and ensure a timely process for payments)
- Fix a firm strategy for the controller and PORT products
- Dedicate resources to implementing a clear and compelling content offering
- Reignite the community with a clear plan of information release between announcing the delay and Spring launch

Whatever your decision on how to proceed (go-live, delay, cancel), I am committed find a way to make arrangements to transition as effectively and professionally as possible to whatever structure you want to put in place, and to craft external communications with partners.

Also, assuming that you do not go live this week: I would recommend that actions are taken urgently this morning: namely, inform the team, and craft a PR message on the delay. I am also willing to help support this effort.

I am not sure when you get back into NYC but obviously we should discuss how to handle and communicate asap in the morning. Please let me know once you are available.

Regards,

Feargal.